

Please share this with your LEAs and encourage them to use these funds now to reimburse their general funds (and special education funds, if applicable) for costs going back to September 1, 2005. Remind them about these critical points:

- The funds must be spent on 2005-2006 school year expenditures.
- The funds do NOT have to be spent on additional or increased costs. (Of course, if LEAs had to hire additional staff or purchase more equipment or vehicles, etc., those would be easy to pinpoint and record as the uses of these funds.)
- The funds do NOT have to be spent specifically on displaced students.
- For tracking purposes and documentation of their compliance with the obligation deadline, they need to record the receipt of these funds in separate accounts. If they receive both regular and special education EIAP funds, they will want to create two accounts.
- The allowable uses of funds in the law are very broad:

"(e) Use of Funds--

(1) Authorized Uses.--The authorized uses of funds are the following:

(A) Paying the compensation of personnel, including teacher aides, in schools enrolling displaced students.

(B) Identifying and acquiring curricular material, including the costs of providing additional classroom supplies, and mobile educational units and leasing sites or spaces.

(C) Basic instructional services for such students, including tutoring, mentoring, or academic counseling.

(D) Reasonable transportation costs.

(E) Health and counseling services.

(F) Education and support services."

- I would recommend that LEAs try to record all of their EIAP funds for (A), personnel compensation, since that is the biggest part of their budgets. The only real qualification is that these costs are supposed to be for personnel at schools enrolling displaced students. LEAs can use (or request) their entire allocations for this purpose and record it in one (or two if they receive special education funds) journal entry with a back-up memo.
- Here's an example: A school enrolling displaced students has a monthly payroll of \$500,000. The LEA's grant for regular students is \$2 million. The journal entry can transfer the full amount of money from the EIAP fund or account to the general fund with a memo for the record saying that these funds are being used to reimburse the LEA for the payroll for this school for September 2005-December 2005. There should also be a reference to the payroll records that will verify the costs.